NSC file

NSC BRIEFING

5 August 1954

POSSIBLE CHINESE ATTACKS ON OFFSHORE ISLANDS

- Strong possibility of Chinese Communist operations against some Nationalist-held offshore islands during next several weeks.
 - A. Since 9 July, Peiping has claimed US intention extend 7th Fleet coverage to "certain" off-shore islands.
 - B. Communists may want to move before US committed to defense as well as before start monsoon season (late September-October).
 - C. Most vulnerable Nationalist islands are Tachen and Matsu groups.

II.	Since	mid-May,	Communists	have	occupied	six	small	islands
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- III. Communist strength in East China--from Shantung to Fukien-has long been sufficient to capture Tachen or Matsu groups
 at any time.
 - A. About 350,000 troops now: strength may reach 500,000 due movements from Korea.
 - B. Ten air divisions (mostly at Shanghai and Hangchow) include 200 to 250 jet fighters, 100 conventional fighters, 20 jet light bombers, 100 conventional light bombers.
 - C. Along East China coast are 7 frigates, 6 gunbeats, about 40 motor torpedo boats, about 35 landing ships, great numbers of armed junks, small patrol craft, service vessels.

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- D. At Tsingtao, Communists have three submarines (two long-range, one small coastal model).

 These could be grave threat to Nationalist navy.
- IV. Nationalist strength believed to be only 15,000 troops on Tachens, 9,000 on Matsus, possibly 4,500 on Manchi.

A.	These	islands	valuable	to	Nationalists	as
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V. In addition to strong chance attack on Nationalist islands, also marginal possibility attack on Formosa.

- A. Current propaganda most intense, aggressive since 1950.
- B. Principal charges: US scheming use Formosa as base for aggression; advising, assisting Chinese Nationalist forces; dispatching spies and saboteurs to mainland; committing piracy against merchant vessels.
- C. Peiping also asserts US preparing conclude pact with Taipei which would show "permanent hestility" to Chinese people, with "protracted grave consequences."

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- D. Since 26 July, Peiping has said Chinese peoples "most important task" is "liberation" of Formosa. On 1 August (Army Day) Commander in Chief Chu Teh said Chinese must fight with "singleness of purpose" to take Formosa, that "other countries" will not be allowed to interfere.
- VI. At least four reasons for Peiping propaganda on Formosa
 - A. With Korean stalemate, armistice in Indo-China, logical device for keeping Chinese worked up is Formosa, which Communists have been vowing to "liberate" since 1949.
 - B. Nationalist seizures Bloc ships is cause for serious concern.
 - C. Communists genuinely want no US-Chiang pact, which would increase US commitment to defense Formosa.
 - D. Formesa is ideal issue for widening differences between US and rest of West, US and Asian "neutrals."

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VII. Full-scale assault on Formosa in near future unlikely.

- A. Peiping made same assertion in 1950 about fighting "single-mindedly" for Formosa, but in fact Communists have not moved against the island.
- B. Peiping's main consideration was and still is US commitment to island's defense, as symbolized by mission of US 7th Fleet.
- C. However, Communists have capability

 for air attack Formosa. May do this at

 any time, to give substance to propaganda.